



City of Seattle

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December 6, 2007

Honorable Councilmember Peter Steinbrueck
Seattle City Council
PO Box 34025
Seattle, WA 98124-4025

Re: CB 116090 related to Size Limits on Certain Non-Industrial Uses in Industrial Zones and Council Resolution 31026 related to Seattle's Industrial Lands Strategy

Dear Councilmember Steinbrueck,

The Planning Commission would like to thank you and the Council for your commitment and leadership in developing a proposal with broad support that will protect our industrial lands through new size of use limits for non-industrial uses in industrial zones. This is a vital and urgently needed first step to protect Seattle's industrial sector.

As you know, the Commission recently released a report entitled, 'The Future of Seattle's Industrial Lands.' In the report the Commission recommended the following with regards to this matter;

- *The City should align its zoning and land use policy to ensure the integrity of Seattle's vibrant industrial businesses*
- *The allowance of excessive amounts of retail and commercial uses in industrial zones has compromised the integrity of Seattle's industrial base. We recommend that the City significantly restrict the amount of retail and commercial uses that are allowed in industrial zoned areas.*¹

The Commission believes CB116090 (as proposed on November 28, 2007) is consistent with the recommendations included in the report. We therefore recommend that the City approve this proposal. Although the Council proposal grants greater allowances for non industrial uses in IG2 and IB zones than the Mayor's proposal, the Commission does support the Council's moving forward with the revised ordinance if it can be passed in 2007. We strongly advise the Council to act now so that the City does not lose more precious industrial land to large stand alone commercial and retail uses. Our industrial zoned lands are a vital civic asset.

We would like to commend the Council for offering a companion resolution, 31026, which outlines important future work that will better ensure a clear strategy for how to best protect and foster a thriving industrial sector. The Commission is pleased to offer its comments regarding the five major sections of this resolution.

Regulatory Approaches

The Commission generally agrees with the need for examining the regulatory changes outlined in the Council resolution. The Commission stated in their report that *“The City should clearly articulate the difference between R&D that has a valid and compelling need to be located in an industrial area versus those that act more as a typical office use. . . After examining current capacity, the City could consider allowing greater flexibility including density, Floor Area Ratio and heights in areas currently zoned IZ, Seattle Mixed or Commercial to accommodate the different needs of the ‘cleaner and quieter’ industrial businesses that have a specific need to be in industrial zoning.”* The Commission also recommends monitoring the amount of office and retail capacity in accordance with industrial capacity.

Economic Analyses

Again, the Commission generally agrees with the need for more refined data regarding demand for industrial land. The Commission stated in their report that *“The City should conduct ongoing monitoring and measurement of vacancy and utilization rates on industrial lands. Periodic reports should be created and analyzed to confirm issues and opportunities related to how these lands are utilized. . . The city should continue to track wage and employment information regarding industrial jobs. . .”*

Freight Mobility

The Commission strongly agrees with the need to develop a list of the most important freight mobility improvements. The Commission stated in their report that, *“The City should create an industrial infrastructure strategy to accompany the Industrial Lands Strategy that will build on the industrial needs and focus of industrial areas. . . Freight mobility and the movement of cargo should be a significant priority in local and regional transportation investments.”* The Commission also recommends monitoring Transportation Demand Management (TDM) data for industrial areas, and document the manner in which workers in industrial areas get to their jobs.

Stakeholder Process

The Commission agrees with the need for stakeholder outreach when conducting the work identified in the Council resolution. In the previous letter to Council regarding their review of the Executive’s proposal for new size of use limits, the Commission stated, *“We recommend that the Executive and Council work together to engage in an outreach effort to ensure stakeholders become intimately familiar with the proposal and the effect it will have on industrial areas and uses.”* Stakeholder engagement can only help foster a vibrant industrial sector in Seattle.

Neighborhood Planning

At the request of the Councilmember Sally Clark, Chair of the Economic Development and Neighborhoods committee the Commission is currently reviewing the Executive’s proposed process for conducting neighborhood plan updates, and hopes to complete the process by mid February. Until this review is completed, it would be difficult for the Commission to address this section of the resolution. It is worth noting that the pre-planning work on updating neighborhoods will outline and define criteria for the order in which the 38 neighborhood plans will be updated. Once the pre-planning diagnosis is completed, that established criteria should provide clear guidance for how the city should move forward. We strongly urge that a consistent set of criteria for updating plans be established and followed and are concerned that the City will set a precedent of some neighborhood plans ‘jumping ahead’ without going through the filter of agreed upon criteria for sequencing the updates.

Family wage jobs, essential tax revenue, and financial diversity are all vital assets that come with a strong and healthy industrial sector. Those assets provided the most compelling rationale for the recommendations made in our report. It is in the City's best interest to use tools such as land use policy, zoning, and infrastructure investment to protect this vital civic asset. We recognize that while this legislation represents a very important first step in ensuring a vibrant industrial sector in Seattle, there are a variety of additional steps the City can pursue to help achieve this goal. Our report discusses these steps in greater detail, and we encourage you to review it as you continue to address the issue of industrial lands. Please do not hesitate to contact us if you need additional review or information.

Sincerely,



Tony To, Chair
Seattle Planning Commission

cc: Mayor Greg Nickels
Seattle City Councilmembers
Tim Ceis, Nathan Torgelson, Rich Feldman, Mayor's office
Rebecca Herzfeld, Ketil Freeman, Bob Morgan, Michael Jenkins, Council Central Staff
Diane Sugimura, John Rahaim, Tom Hauger, John Skelton, Scott Dvorak, DPD

ⁱ *The Future of Seattle's Industrial Lands, Seattle Planning Commission report, July 2007.* The full bullet point in the recommendations reads as follows; the allowance of excessive amounts of retail and commercial uses in industrial zones has compromised the integrity of Seattle's industrial base. We recommend that the City significantly restrict the amount of retail and commercial uses that are allowed in industrial zoned areas. Small retail uses are important to the functioning of the industrial areas; by limiting the size of these uses, we expect that new retail uses will be those that primarily support the industrial area. These size limitations may vary between IG and IC zones, such as creating stricter size limitations in IG zones than in IC zones, to best foster the intended uses for each zone. For example, Portland's "industrial sanctuary" zones limit retail and office primary uses to up to 3,000 square feet outright and 25,000 square feet or 1:1 Floor Area Ratio with a conditional use. In order to obtain a conditional use, the use "needs to be located in the industrial area or building because industrial firms or their employees constitute the primary market of the proposed use." In Chicago, general retail sales uses are limited to 3,000 square feet, and must be accessory sales of goods produced on-site. Generally, office uses are limited to 9,000 square feet, a reuse of an existing building, or as an accessory to the allowed industrial use.